# Servus Place Quarterly Report

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## Second Quarter 2011

(Un-Audited)

# Servus Place Quarterly Report
# Second Quarter 2011

**City of St. Albert**
**Servus Credit Union Place**
**Income Statement of Revenue and Expenditures (Un-Audited)**
**For the Period Beginning April 1, 2011 Ended June 30, 2011**

| | 2011 Q2 Actual | 2011 Q2 Budget | 2011 Q2 Variance | 2011 YTD Actual | 2011 YTD Budget | 2011 YTD Variance | 2011 Revised Budget | 2011 YE Forecast* |
|---|---|---|---|---|---|---|---|---|
| Memberships | $ 637,833 | $ 633,000 | $ 4,833 | $ 1,337,623 | $ 1,319,000 | $ 18,623 | $ 2,426,300 | $ 2,471,800 |
| Admission Fees | 238,451 | 268,800 | (30,349) | 601,968 | 648,800 | (46,832) | 1,270,500 | 1,195,000 |
| Lesson Fees | 207,286 | 175,500 | 31,786 | 447,479 | 376,200 | 71,279 | 834,200 | 900,200 |
| Rentals - Facility | 336,332 | 319,200 | 17,132 | 802,833 | 764,300 | 38,533 | 1,537,500 | 1,547,500 |
| Advertising/Sponsorship | 141,050 | 137,100 | 3,950 | 276,144 | 266,600 | 9,544 | 554,200 | 554,200 |
| Sale of Goods (Commission & Vending) | 21,347 | 21,300 | 47 | 43,551 | 45,200 | (1,649) | 184,300 | 184,300 |
| Miscellaneous Revenue | 8,397 | - | 8,397 | 21,820 | - | 21,820 | 13,800 | 35,000 |
| **Total Revenue** | **$1,590,696** | **$1,554,900** | **$ 35,796** | **$3,531,418** | **$3,420,100** | **$ 111,318** | **$ 6,820,800** | **$ 6,888,000** |
| Personnel Costs | $ 997,905 | $ 1,084,900 | $ (86,995) | $ 2,007,546 | $ 2,176,200 | $ (168,654) | $ 4,439,700 | $ 4,339,700 |
| Contracted & General Services | 147,352 | 146,000 | 1,352 | 319,396 | 332,100 | (12,704) | 763,000 | 783,000 |
| Utilities | 193,419 | 167,600 | 25,819 | 498,726 | 417,100 | 81,626 | 827,700 | 927,700 |
| Materials, Goods & Supplies | 89,811 | 93,200 | (3,389) | 198,909 | 213,300 | (14,391) | 454,100 | 454,100 |
| Transfer to Reserves | 11,217 | 12,200 | (983) | 28,071 | 27,100 | 971 | 50,000 | 50,000 |
| Transfer to Operations - Aquatics | 177,407 | 181,300 | (3,893) | 392,420 | 366,800 | 25,620 | 756,800 | 756,800 |
| Transfer to Operations - Public Works | 144,447 | 185,800 | (41,353) | 354,596 | 366,600 | (12,004) | 732,600 | 732,600 |
| **Total Expenditure** | **$1,761,558** | **$1,871,000** | **$(109,442)** | **$3,799,664** | **$3,899,200** | **$ (99,536)** | **$ 8,023,900** | **$ 8,043,900** |
| **Net Surplus (Deficit)** | **$(170,862)** | **$(316,100)** | **$ 145,238** | **$(268,246)** | **$(479,100)** | **$ 210,854** | **$(1,203,100)** | **$(1,155,900)** |
| Recovery Rate | 90% | 83% | | 93% | 88% | | 85% | 86% |
| **Cost Centre 3171 (from Recreation)** | | | | | | | | |
| **Total Revenue** | $ 93,333 | $ 74,700 | $ 18,633 | $ 242,000 | $ 226,500 | $ 15,500 | $ 479,900 | $ 479,900 |
| **Total Expenses** | $ 35,777 | $ 36,700 | (923) | 68,619 | 70,000 | (1,381) | 137,600 | 137,600 |
| **Operating Surplus (Deficit)** | **$ 57,556** | **$ 38,000** | **$ 19,556** | **$ 173,381** | **$ 156,500** | **$ 16,881** | **$ 342,300** | **$ 342,300** |
| **Total Operating Surplus (Deficit)** | **$(113,306)** | **$(278,100)** | **$ 164,794** | **$ (94,865)** | **$(322,600)** | **$ 227,735** | **$ (860,800)** | **$ (813,600)** |

* For more detailed information on the 2011 Forecast, please see page 38 of this document.

# Department Overview – Quarter 2 – 2011

The Servus Place deficit for the second quarter (Q2) 2011 is $170,862. The recovery rate for the first quarter is 90%.

## Revenue Analysis

Total revenue for Q2 2011 is $1,590,696. Total revenue variance for Q2 2011 is $35,796 (2.3%) above budget projections.

- Memberships are above budget projections by $4,833 (0.8%).
- Admission Fees are below budget projections by $30,349 (-11.3%).
- Lesson Fees are above budget projections by $31,786 (18.1%).
- Rentals - Facility are above budget projections by $17,132 (5.4%)
- Advertising/Sponsorship is above budget projections by $3,950 (2.9%)
- Sale of Goods (Commission & Vending) is above budget projections by $47 (0.2%)
- Miscellaneous Revenue is above budget projections by $8,397

Overall the variance in budget is due to higher than anticipated revenues in memberships, lesson fees, facility rentals, advertising/sponsorship and miscellaneous revenue.

Overall facility usage trends in Q2 remained high during a traditionally lower use time of year with the overall usage up 5.5% over Q2 2010. Inclement weather may have contributed to this. Q2 2011 exceeded Q2 2010 in the number of members, membership revenue, the number of paid day pass units and admission fee revenue.

Lesson fee revenue is substantially over budget for Q2 2011. Fitness personal training and registered program revenue remained strong throughout Q2. Recreation programs also saw continually strong revenue rather than the traditional decrease during the spring months, specifically in the areas of preschool parented and un-parented programming both at Servus Place and in the community.

Servus Place continued to be extremely busy from an events perspective through Q2. The facility hosted local, provincial, national and international events including the Chamber of Commerce Lifestyle Expo Trade Show, The Esso Cup – Canadian Female Midget Hockey Championships, Edmonton Blues Lacrosse Tournament, Poundmaker Lodge Spring Dance Festival, Baggataway Lacrosse Tournament, and Desa Karate International Karate Tournament. For the first time 3 on 3 Hockey operated with two different local leagues through May and June on the Mark Messier and Troy Murray arenas.

## Expense Analysis

Total expenses for Q2 2011 are $1,761,558. Total expense variance for Q2 was $109,442 (-5.8%) below budget projections.

- Personnel Costs are below budget projections by $86,997 (-8.0%).
- Contracted & General Services are above budget projections by $1,351 (0.9%).
- Utilities are above budget projections by $25,819 (15.4%).
- Materials, Goods & Supplies are above budget projections by $3,383 (2.1%).
- Transfer to Reserves is below budget by $983 (-8.1%).
- Transfer to Operations - Aquatics is below budget projections by $3,893 (-2.1%).
- Transfer to Operations - Public Works is below budget projections by $41,353 (-22.3%).

Above budget expenses in utilities due to increased utility rates in electricity and natural gas and higher than anticipated transfers to public works were offset by below budget expenses in personnel costs, materials, goods and supplies and transfer to reserves and transfer to operations- aquatics resulting in an expense variance of $109,443 below budget.

## Guest Services

Overall facility usage trends in Q2 remained high during a traditionally lower use time of year with the number of day users up 5.5% over Q2 2010. Inclement weather may have contributed to this.

Q2 2011 exceeded Q2 2010 in the number of members, membership revenue, the number of paid day pass units and admission fee revenue.

### Membership

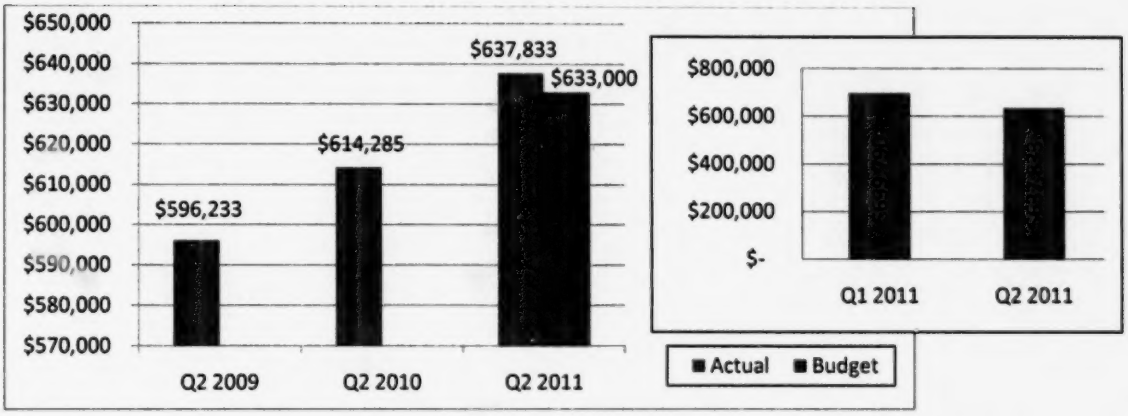
| Memberships | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | 2011 YTD Actual | 2011 YTD Budget | 2011 YTD Variance |
|---|---|---|---|---|---|---|---|---|
| Adult | 2,887 | 2,909 | 2,933 | 2,854 | 79 | 3,105 | 2,974 | 131 |
| Child | 687 | 486 | 357 | 487 | -130 | 389 | 508 | -119 |
| Family | 1,898 | 2,117 | 2,320 | 2,088 | 232 | 2,326 | 2,176 | 149 |
| Senior | 598 | 658 | 730 | 696 | 34 | 797 | 725 | 72 |
| Student | 485 | 521 | 447 | 487 | -40 | 466 | 508 | -42 |
| Youth | 407 | 350 | 341 | 348 | -7 | 356 | 363 | -7 |
| **Total Members** | **6,964** | **7,042** | **7,129** | **6,961** | **168** | **7,439** | **7,255** | **184** |
| | | | | | | | | |
| Total Paid Membership Units | 5,457 | 5,370 | 5,299 | 5,317 | -18 | 5,604 | 5,541 | 63 |
| | | | | | | | | |
| Corporate Memberships | 1,915 | 2,089 | 1,984 | | | 2,007 | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| **Membership Revenue** | **$ 596,233** | **$ 614,285** | **$ 637,833** | **$ 633,000** | **$ 4,833** | **$1,337,623** | **$ 1,319,000** | **$ 18,623** |

Membership revenue for Q2 2011 is $637,833 which is 0.8% above budget and 3.8% above the second quarter of 2010. Memberships are anticipated to end the year over budget by $45,500. The forecast has been adjusted to reflect this increase.

The average number of family membership units per month for Q2 2011 is 490, which equates to 4.7 individual members per family membership unit.

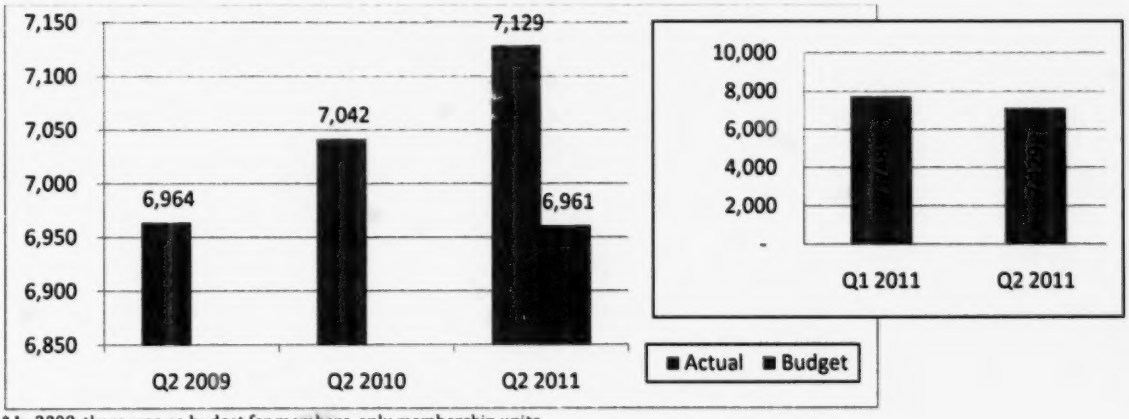
There were 1,984 corporate members in Q2 2011. The corporate members in Q2 2011 make up 27.8% of the total members.

**Membership Revenue**




The 2011 budget is based on a blended rate of $39.68. The actual blended rate for Q2 2011 is $40.15, which is an increase of $2.00 over the blended rate for Q2 2010 ($38.15) and $3.72 over Q2 2009 ($36.43). The blended rate has increased over previous years due to increases in the higher value family and adult membership categories as well as slight fee increases.

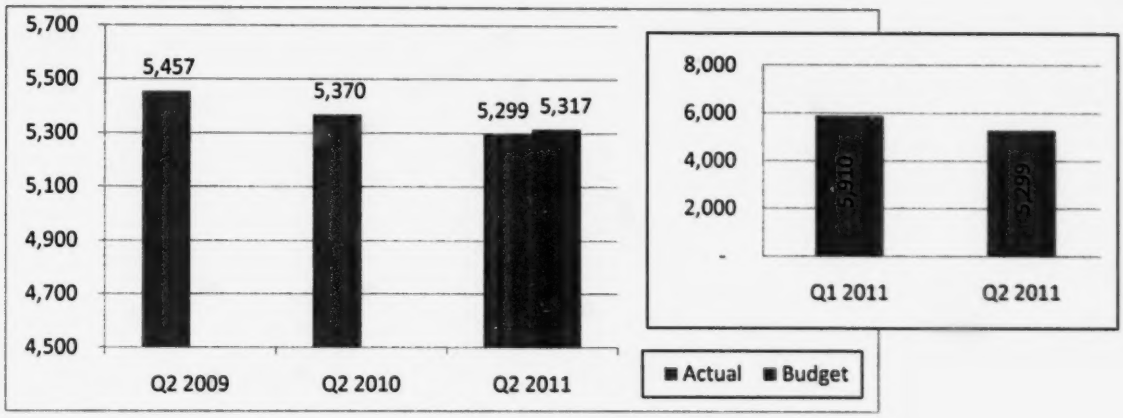
**Total Members**




* In 2009, there was no budget for members, only membership units.

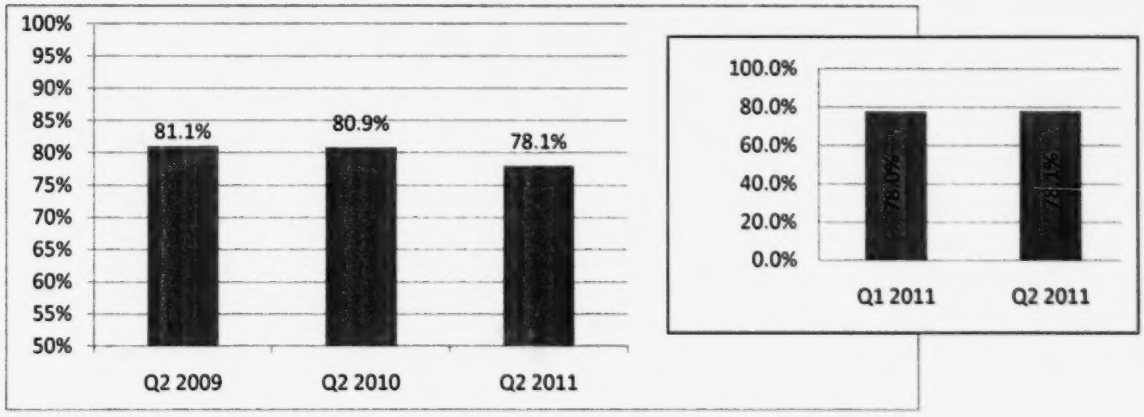
In Q2 2011, there was an average of 7,129 members per month, which is 2.4% above budget and 1.2% above Q2 2010. Actual members for Q2 2011 were above budget due to the increase in family and adult membership categories.

**Membership Units**




Membership units for Q2 2011 are 5,299. Although the membership units have decreased, the number of members has increased due to the shift to family memberships.

**Percentage of Members who are St. Albert Residents**




In Q2 2011, the average percentage of members who are St. Albert residents is 78.1%.

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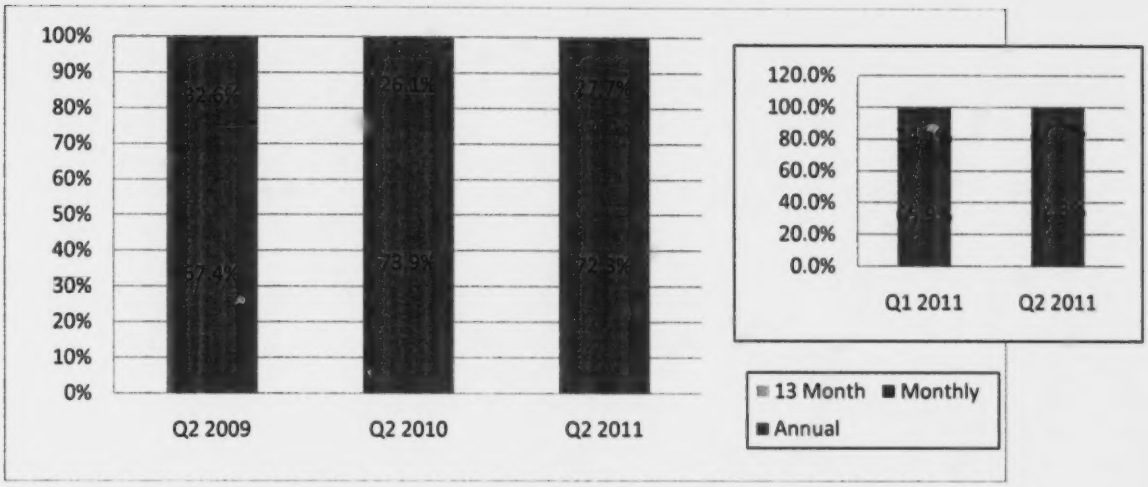
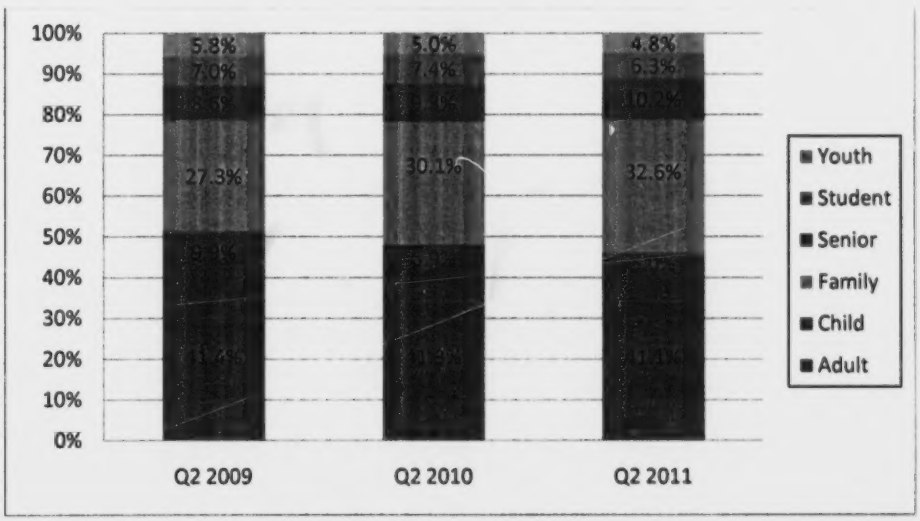
**Members by Type**




In Q2 2011, annual memberships accounted for 72.3% of the total memberships. Annual membership totals are the key indicators of sustained monthly revenues that contribute, as a large driver, to the facility financial model.

**Members by Demographic**




In Q2 2011, the demographic breakdown of members illustrates the shift from individual memberships to family memberships. Since Q2 2010, there has been a 2.5% increase in the number of family members and a correlating decrease in the number of youth (-0.2%), student (-1.1%), adult (-0.2%) and child (-1.9%) memberships. There has also been an increase in the percentage of senior members (1.6%)

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## Day Admissions

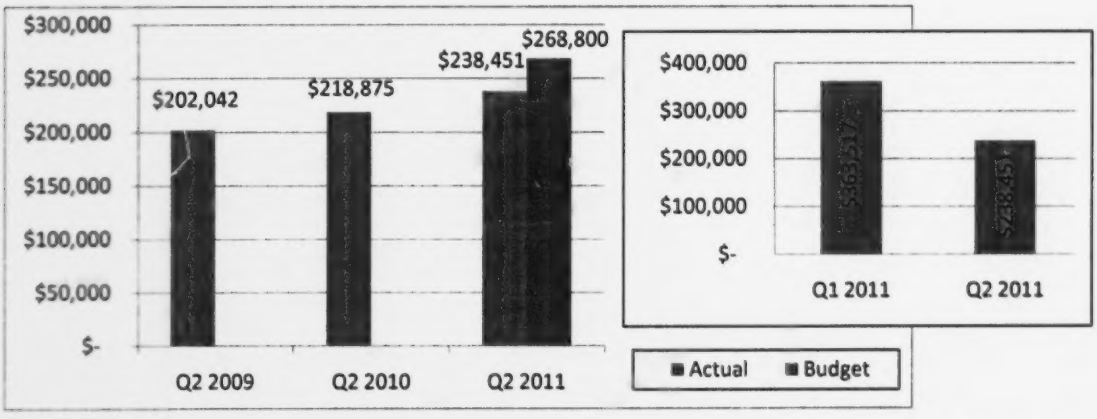
| Day Admissions | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | 2011 YTD Actual | 2011 YTD Budget | 2011 YTD Variance |
|---|---|---|---|---|---|---|---|---|
| Adult | 8,771 | 8,820 | 9,909 | 10,049 | -140 | 25,197 | 24,406 | 791 |
| Child | 10,932 | 12,256 | 12,890 | 13,940 | -1,050 | 30,237 | 33,854 | -3,617 |
| Family | 2,489 | 3,036 | 2,835 | 3,891 | -1,056 | 7,209 | 9,449 | -2,240 |
| Senior | 874 | 662 | 531 | 648 | -117 | 1,737 | 1,575 | 162 |
| Youth | 2,664 | 2,957 | 3,719 | 3,891 | -172 | 9,963 | 9,449 | 514 |
| **Total Paid Pass Units** | 25,730 | 27,731 | 29,884 | 32,419 | -2,535 | 74,343 | 78,733 | -4,390 |
| Total Membership Swipes | 79,721 | 80,592 | 84,362 | | | 202,875 | | |
| **Total Day Uses** | 105,451 | 108,323 | 114,246 | | | 277,218 | | |
| | | | | | | | | |
| **Total Paid Passes** | | | 38,670 | | | 97,047 | | |
| | | | | | | | | |
| Total Complimentary Passes | 1,288 | 1,259 | 1,095 | | | 3,040 | | |
| | | | | | | | | |
| | | | | | | | | |
| Paid Pass Revenue | $ 192,024 | $ 208,374 | $ 227,386 | $ 259,500 | $(32,114) | $ 574,497 | $ 625,800 | $ (51,303) |
| Childminding Revenue | $ 10,018 | $ 10,501 | $ 10,574 | $ 9,300 | $ 1,274 | $ 26,056 | $ 21,800 | $ 4,256 |
| Community Drop-In Program Rev | $ - | $ - | $ 491 | $ - | $ 491 | $ 1,415 | $ 1,200 | $ 215 |
| **Total Admission Fees Revenue** | **$202,042** | **$218,875** | **$238,451** | **$268,800** | **$(30,349)** | **$ 601,968** | **$ 648,800** | **$(46,832)** |

Paid pass revenue is $238,451, which is 11.3% below budget and 8.9% above Q2 2010. Day admissions are trending under budget and are anticipated to end the year under budget by $75,500 as shown in the forecast.

The day admission blended rate for Q2 2011 is $7.61. This blended rate represents the average admission price per paid pass unit.

For Q2 2011, one family paid pass unit equates to 4.1 paid passes. Paid passes are the number of individuals who access the facility.

**Total Admission Fees Revenue**

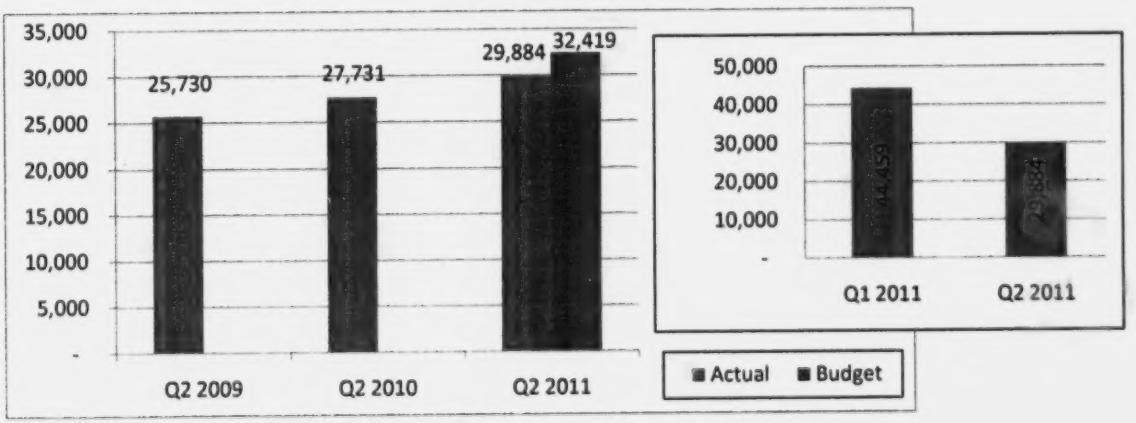


**Servus Place Day Admissions – Postal Code Breakdown for Q2 2011**

| Servus Place Day Admissions Postal Code Breakdown** | May/June 2009 | Q2 2010 | Q2 2011 |
|---|---|---|---|
| Edmonton | 26% | 20% | 15% |
| Morinville | 3% | 2% | 2% |
| Not provided | 13% | 4% | 1% |
| Outside Alberta | 1% | 1% | 1% |
| St. Albert | 48% | 66% | 74% |
| Sturgeon | 2% | 1% | 1% |
| Other Areas of Alberta* | 8% | 7% | 6% |
| Total | 100% | 100% | 100% |

* Other areas of Alberta includes Stony Plain, Fort Saskatchewan, Sherwood Park, Spruce Grove and various locations around Alberta.
**Servus Place began collecting postal code information for day passes sold in May of 2009.

**Paid Day Pass Units**




In Q2 2011 total paid day pass units are 29,884, which is 7.8% below budget but 7.8% above Q2 2010. Servus Place anticipated stronger growth in 2011 paid passes than was realized.

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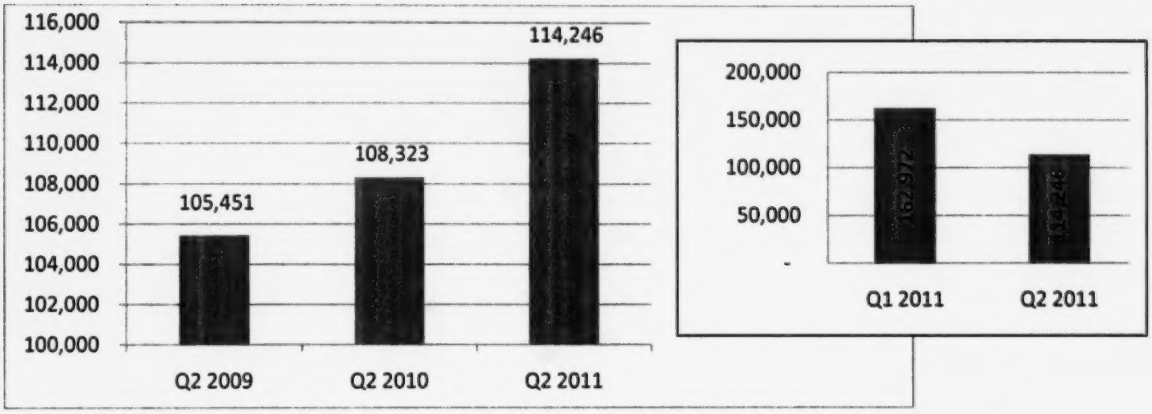
**Total Day Uses**




Total paid day uses include both membership swipes and paid pass units. For Q2 2011, there were 114,246 day uses, which is 5.5% over Q2 2010 and 8.3% over Q2 2009. There were 84,362 membership swipes in Q2 2011, which equates to each member using the facility 3.9 times per month.

In Q2 2011, the average number of paid day admissions was 1,255 per day. The highest admission days in the quarter were April 1-4 with over 8,700 admissions over the Spring Break/Easter weekend.

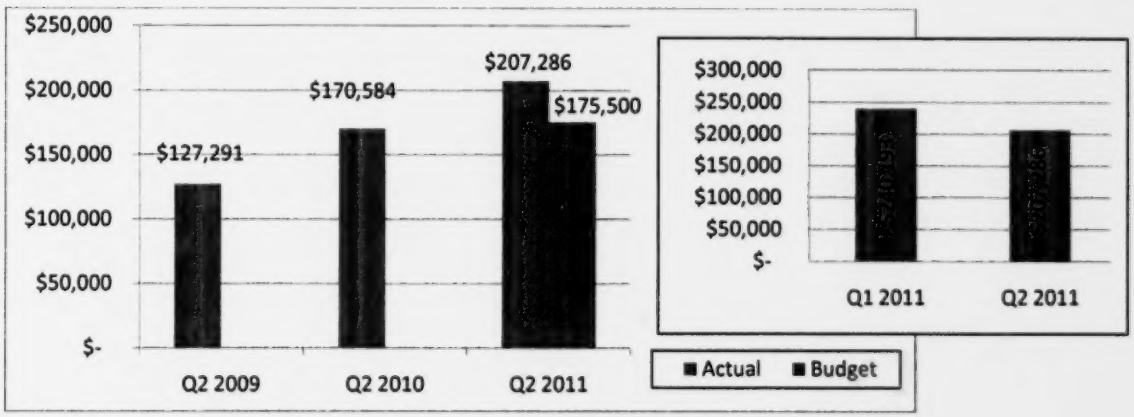
## Lesson Fees

| Lesson Fees | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| Fitness | $ 105,934 | $ 138,792 | $ 168,872 | $ 144,400 | $ 24,472 | $ 350,422 | $ 291,100 | $ 59,322 |
| Recreation | $ 21,357 | $ 31,792 | $ 38,414 | $ 31,100 | $ 7,314 | $ 97,057 | $ 85,100 | $ 11,957 |
| **Net Revenue** | **$ 127,291** | **$ 170,584** | **$ 207,286** | **$ 175,500** | **$ 31,786** | **$ 447,479** | **$ 376,200** | **$ 71,279** |

Lesson fee revenue is substantially over budget for Q2 2011. This variance is due to higher than anticipated revenues for personal training, fitness programs and recreation preschool programs. Lesson fees have been adjusted in the forecast by $66,000 to accommodate for this increase in use.

The variance between 2009 and 2010 recreation progam lesson fees is due to the fact that in 2010, all City run recreation programming was moved to Servus Place. Beginning in 2010, revenue and expenses for these programs was recognized in the Servus Place budget, whereas in 2009, it was recorded under a separate cost centre.

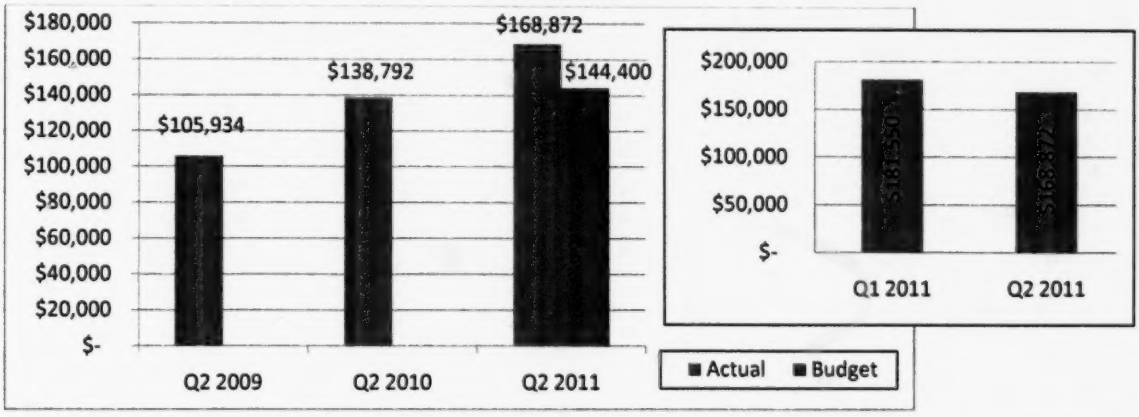
Lesson Fees Revenue



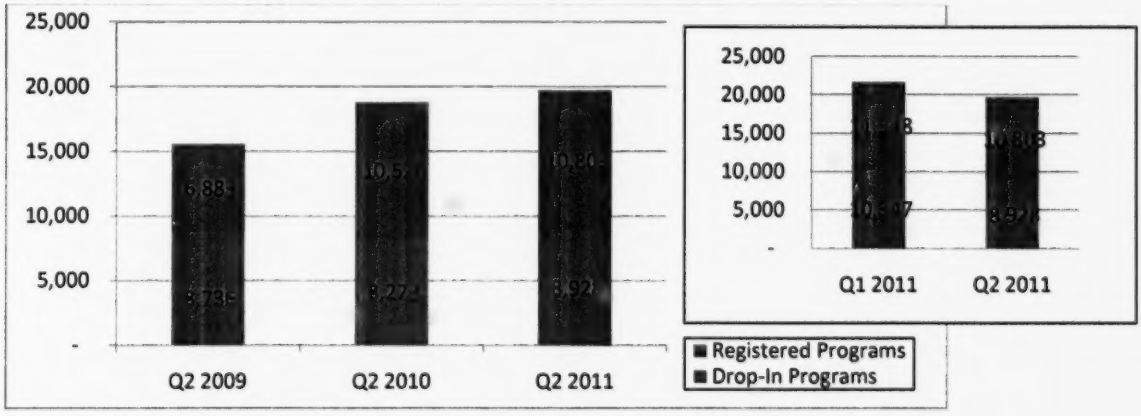
## Fitness

In Q2 2011 fitness program revenue is $168,872 which is 16.9% above budget and 21.7% over Q2 2010 primarily due to higher than anticipated revenues for personal training services and registered fitness programs. Historically registered fitness programs see a decrease in attendance in Q2, however, in 2011; Servus Place is beginning to see a trend of more consistent use throughout the year.

**Fitness Program Revenue**




**Fitness Program Participants**




Fitness continues to experience very strong participation in both registered and drop-in fitness and wellness programs particularly bootcamps, kettlebells, spin, TRX, zumba and post natal programs. Registered programs had an 83% fill rate. A new program offering this quarter is "Yoginis" which is a yoga program for ages 12-17. This program is designed to aid preteens and teens in the development of inner strength through movement.

There were 429 drop-in programs in Q2, averaging 21 participants per class. Drop-in programs are included with membership or day admission to Servus Place and can be directly attributed to supporting the overall membership growth.

The Dove Real Beauty Workshop was held in June and hosted 10 girls (aged 8-13) and their mentors for a day of bonding, self expression and fun.

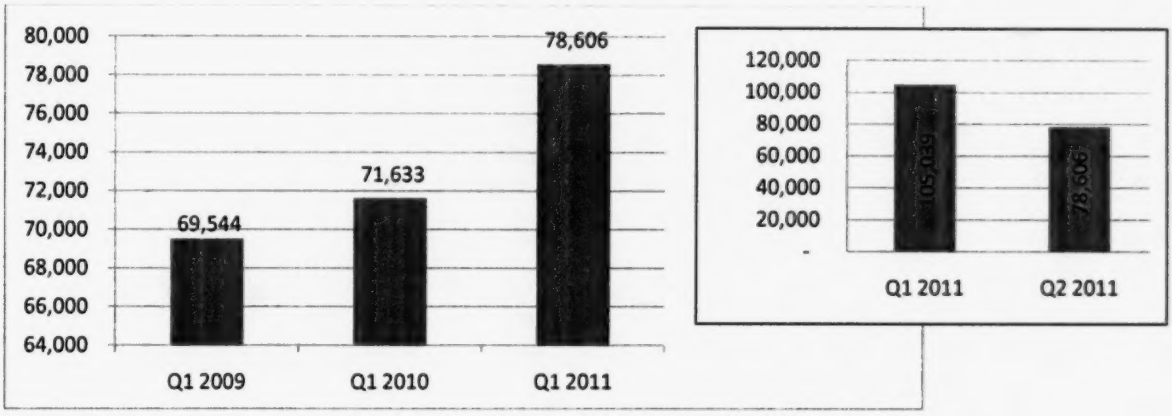
## Fitness & Wellness Centre

| Fitness & Wellness Centre | Q2 2008 Actual | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | YTD 2011 Actual |
|---|---|---|---|---|---|
| Fitness & Wellness Centre Users | 58,692 | 69,544 | 71,633 | 78,606 | 183,645 |
| Daily Average | 664 | 781 | 805 | 883 | 1,216 |

In Q2 2011, there were 78,606 users of the Fitness & Wellness Centre. Fitness & Wellness Centre attendance remains very strong during peak period use.

Use of the Fitness Centre has seen consistent increases in use since the facility's opening. Second quarter users have increased 9.7% from 2010-2011, 13.0% since 2009-2011 and 33.9% since 2008-2011.

**Fitness Centre Users**




In Q2, Servus Place replaced seven treadmills in the Fitness Centre, new features include video tutorial on how to set up the treadmill, choices to customize your workout, energy saver screen, iPod dock, USB port for smart phone and a number of games. The treadmills that were at the end of their useful life were purchased by the supplier and applied to the balance for the new equipment, greatly reducing the cost of replacement.

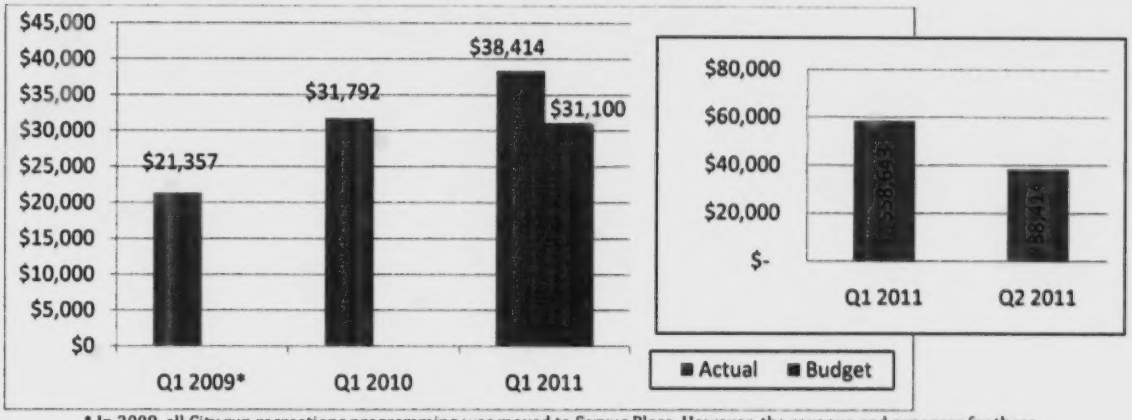
The annual Fitness & Wellness Centre Spruce Up was held on June 29 and 30. Nineteen staff participated in the movement, preventative maintenance and deep cleaning of the entire Fitness Centre which includes over 57,000 lbs of fitness equipment.

## Recreation

Recreation program revenue for Q2 2011 is $38,414 which is 23.5% above budget and 20.8% over Q2 2010.

Q2 2011 marked the one year anniversary of the incorporation of "Active Kids" Preschool into both Servus Place and the community. The registrations in parented and non-parented preschools remained high throughout Q2, whereas normally there is a gradual decline in participation in the spring season.

**Recreation Program Revenue**




* In 2009, all City run recreations programming was moved to Servus Place. However, the revenue and expenses for these programs has only been recognized as part of the Servus Place since 2010, thusly, 2009 is not an accurate comparison for recreation program revenue.

### Servus Place and Community Summer Camps

Recreation completed the recruitment, hiring and training of 3 summer camp coordinators and 30 casual summer camp staff and conducted a full week of training during the last week of June which included a revised "Raving Fans" session for camp leaders.

Servus Place Recreation staff hosted 77 regional summer leaders on behalf of the Central West Recreation Association (CWRA) on June 29 in the provision of a "day in the life" camp workshop. The workshop provided themed camp programming (sports, cooking, crafts, science, etc.) which simulates what a regular day would be like for a child participating in a summer camp.

New on-line camp surveys were finalized for implementation through Survey Monkey for all 2011 Summer Camp program participants.

The Elks have renewed their sponsorship of Cruisin' Clubhouse.

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## Servus Place Recreation Programs

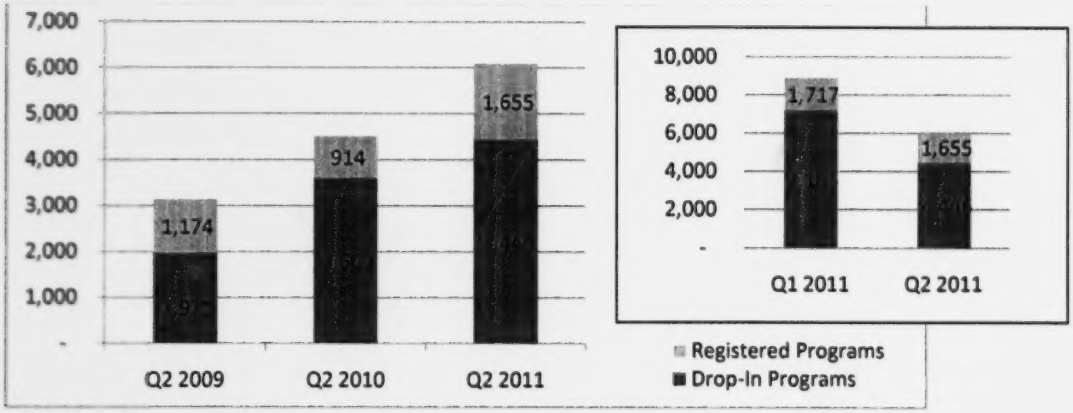
Parented and non-parented preschool program participation remained extremely high throughout the first six months of 2011, whereas normally there is a gradual decline in participation in the spring season.

The Groovy Gang choir provided the entertainment at May's Seniors Day.

All inflatables were inspected by Alberta Elevating Devices & Amusement Rides Safety Association (AEDERSA) for summer camps, guest and member use throughout the summer.

Child minding participation remained extremely strong, serving an average of 912 children per month.

**Participants in Servus Place Recreation Programs**



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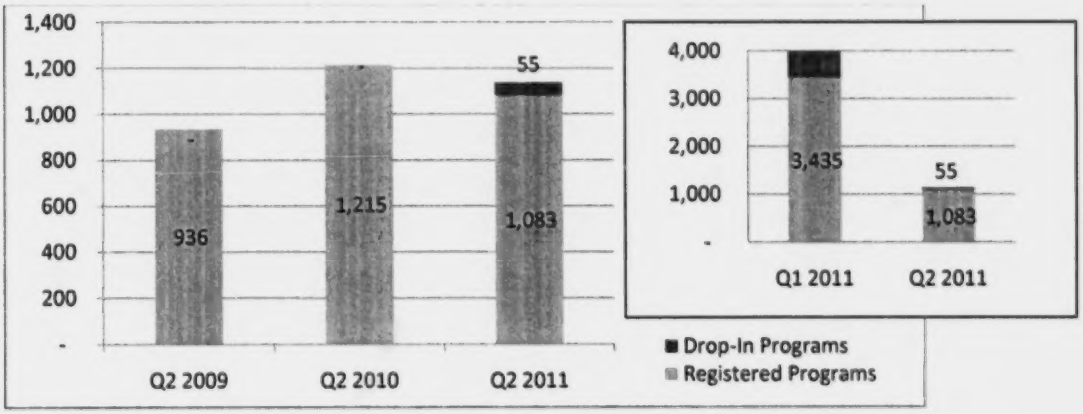
## Community Recreation Programs

Registration remains strong for preschool programs in the community, based on a program fill rate above 90%. Most popular programs in Q2 include Doodles and Play and Learn preschool programs.

The reason that there are drop-in program participants in Q2 2011 whereas there has not been any participants in Q2 for the previous two years is due to public skating being extended for two dates, April 3 and 10.

**Participants in Community Recreation Programs**



## Aquatics

| Landrex Water Play Centre Use | Q2 2008 Actual | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | YTD 2011 Total |
|---|---|---|---|---|---|
| Water Play Centre Users | 49,484 | 52,290 | 57,429 | 68,342 | 158,463 |
| Daily Average | 578 | 629 | 741 | 821 | 912 |
| | | | | | |
| Servus Place Annual Member Swipes at FPRC | 7,172 | 5,321 | 6,301 | 6,302 | 12,063 |
| Servus Place Annual Member Swipes at Grosvenor | 371 | 284 | 459 | 55 | 55 |
| **Total** | **7,543** | **5,605** | **6,760** | **6,357** | **12,118** |

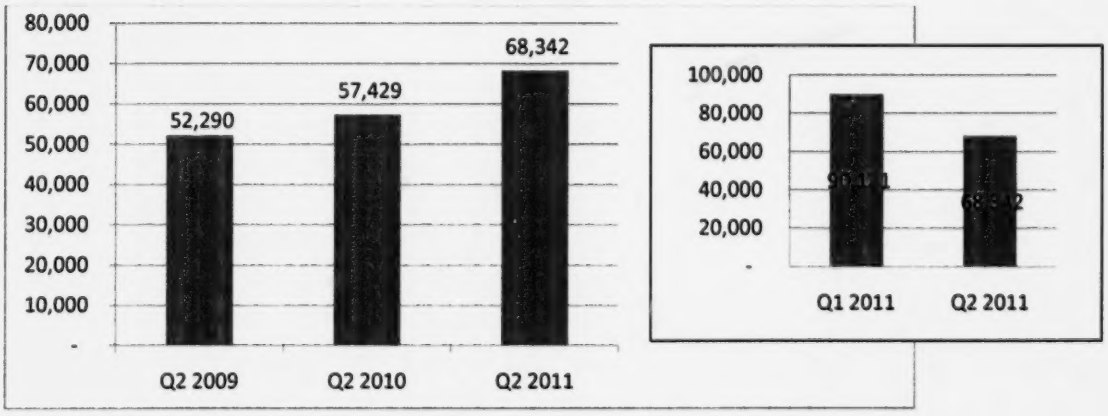
In Q2 2011, there were 68,342 users of the Landrex Water Play Centre (LWPC), an increase of 19.0% from Q2 2010. The highest attendance days were during April 1 with 1,684 users and May 23 with 1,791 users. Since opening, Servus Place has seen consistent increases in use of the LWPC. Second quarter users have increased 19.0% from 2010-2011, 9.8% from 2009-2011 and 38.1% from 2008-2011.

The Landrex Water Play Centre annual Spruce Up was conducted from May 29 to June 5 by Aquatics and Operations staff. The maintenance included but was not limited to:

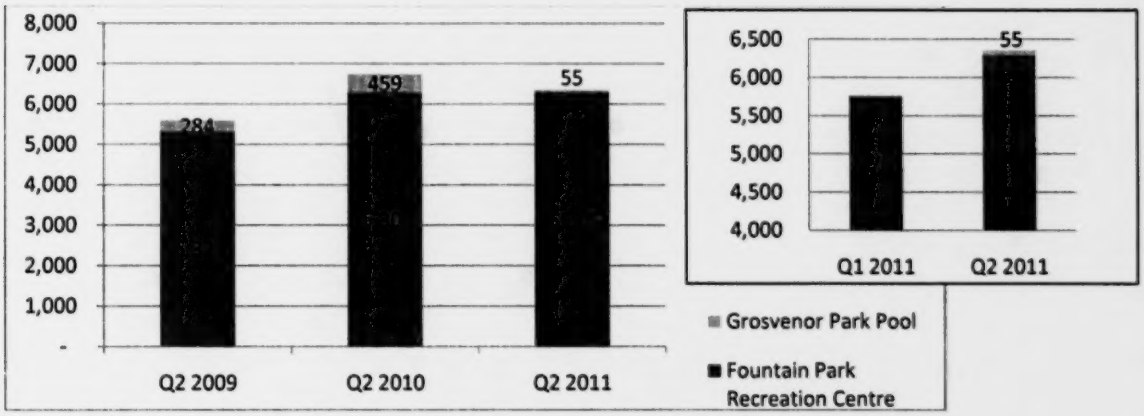
- Painting of all play features and parts of the water slide,
- Spot painting of the walls on deck and change rooms,
- Tile work on deck and in the change rooms replacing grout,
- Installation of 3 new overhead lights,
- Valves replaced on all the filters (warranty work),
- Filter media changed in whirlpools and tots pool,
- Plumbing work in the men's change room,
- Deep scrub and clean of the entire pool and change room areas.

The "Through the Tides" art piece by Claire Louise Uhlick was installed in the Landrex Water Play Centre during the annual Spruce Up. The official unveiling event was held on June 22.

**Water Play Park Users**



**Servus Place Annual Member Swipes at Fountain Park Recreation Centre and Grosvenor Park Pool**

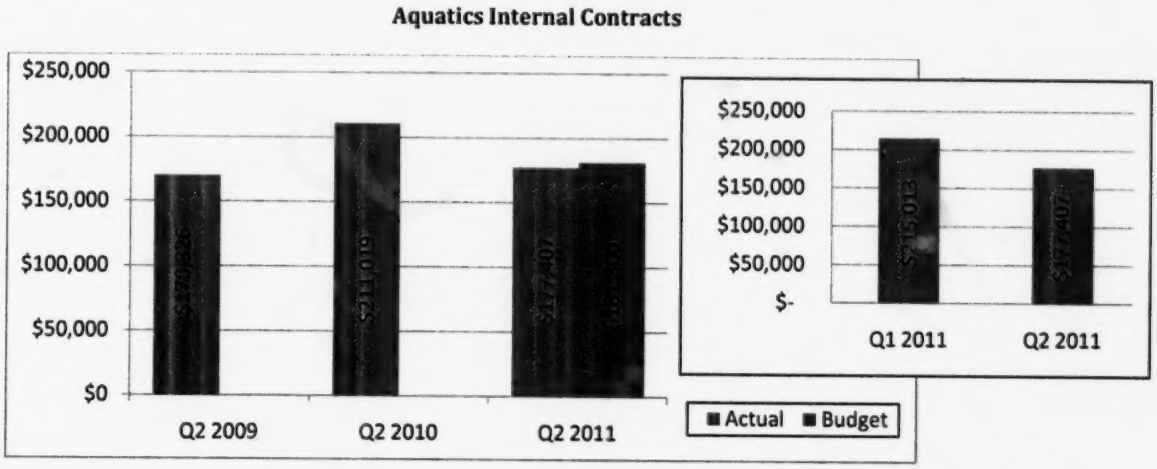



In Q2 2011, member uses were recorded at 6,302 at Fountain Park Recreation Centre. Member use at Grosvenor Pool is substantially lower than Q2 2010 partially due to the fact that Grosvenor opened on May 28, one week later than it traditionally opens. It is also suspected that inclement weather throughout Q2 discouraged users of the outdoor facility.

## Aquatics Internal Contracts

| Aquatics Internal Contracts | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| | $ 170,326 | $ 211,019 | $ 177,407 | $ 181,300 | $ (3,893) | $ 392,420 | $ 366,800 | $ 25,620 |

Aquatics internal contracts are very close to budget for Q2 but above budget YTD due to timing of initiatives. Aquatics internal contracts are currently projecting to be on budget at the end of the year.



Servus Place Quarterly Report
Second Quarter 2011

## Booking & Events

Booking & Events staff have finalized the ice/dry floor schedules for Spring/Summer season and preliminary ice allocations for Fall/Winter session. Staff will meet with sport partners to review ice allocation allotment and remaining open ice slots to finalize the schedule. The business unit continues to prepare for upcoming major events which included meeting with Special Olympics "Chefs de Mission" from each Canadian province and territory for a tour of the facility.

Bookings & Events purchased and received additional event supplies to accommodate event requirements and to replace existing supplies including table cloths /skirts, stanchions, pipe and drape and tables and carts.

Q2 2011 Events

- St. Albert Chamber of Commerce Lifestyle Expo – April 8-10
- Esso Cup April 16-23
- Blues Lacrosse Tournament – April 22-24
- Métis Spring Dance Festival – May 20-22
- CTEC Motorcycle Training School – May 5-6, 12-13, 19-20, 26-27, June 2-3, 9-10, 16-17, 23-24
- DESA Karate International Tournament – June 8-12
- Annual Baggataway Lacrosse Tournament – June 10-12
- St. Albert Heavenly Rollers Vs. Lethbridge – Roller Derby – June 18

The Esso Cup National Female Midget Hockey Championships were held in the facility from April 16 to 23. This event brought in approximately 6,000 spectators throughout the course of the tournament. Six teams from across Canada participated in this national event which included customized ice with Hockey Canada branding, a live broadcast of the entire tournament on the internet through "Fasthockey" and live TSN broadcast of the championship game on TSN2.

| Facility Rental Revenue | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | 2011 YTD Variance |
|---|---|---|---|---|---|---|---|---|
| Arenas | $ 113,670 | $ 162,205 | $ 176,308 | $ 166,900 | $ 9,408 | $ 422,329 | $ 414,400 | $ 7,929 |
| Fieldhouses | $ 41,164 | $ 48,895 | $ 47,081 | $ 58,335 | $ (11,254) | $ 153,849 | $ 155,835 | $ (1,987) |
| Gymnasiums | $ 8,058 | $ 14,973 | $ 9,442 | $ 7,380 | $ 2,062 | $ 22,647 | $ 17,540 | $ 5,107 |
| Meeting rooms | $ 11,056 | $ 22,320 | $ 32,607 | $ 10,735 | $ 21,872 | $ 52,019 | $ 21,555 | $ 30,464 |
| Leaseholders | $ 39,820 | $ 56,665 | $ 56,665 | $ 60,000 | $ (3,335) | $ 117,424 | $ 120,000 | $ (2,576) |
| Parties | $ 10,365 | $ 3,699 | $ 3,014 | $ 3,650 | $ (636) | $ 6,496 | $ 7,870 | $ (1,374) |
| Refurbishment Charges* | $ - | $ 10,852 | $ 11,217 | $ 12,200 | $ (983) | $ 28,071 | $ 27,100 | $ 971 |
| **Total** | **$ 224,132** | **$ 319,609** | **$ 336,332** | **$ 319,200** | **$ 17,132** | **$ 802,833** | **$ 764,300** | **$ 38,533** |

* In 2009, refurbishment charges were not broken out separately but included in the rental revenue for each floorplate.

The variance in meeting room rental is due to additional revenue received for use of the parking lot by CTEC Motorcycle Training School throughout May and June. Use by CTEC will continue until October, resulting in higher than anticipated meeting room rental revenue at year end.

# Servus Place Quarterly Report
# Second Quarter 2011

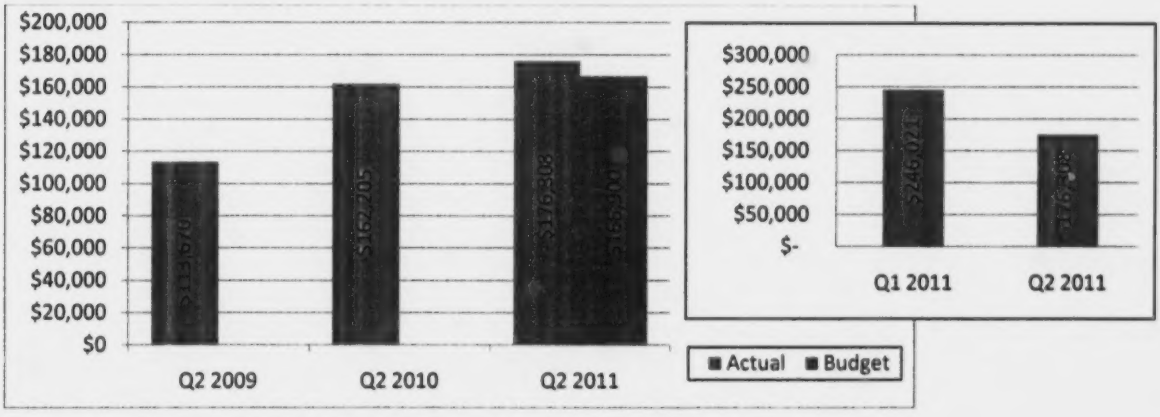
## Arena Rental

| Arena | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | 2011 YTD Variance |
|---|---|---|---|---|---|---|---|---|
| Hours rented | 1,615 | 1,706 | 1,484 | 1,580 | -96 | 3,955 | 4,035 | -80 |
| Hours programmed/maint. | 487 | 922 | 1,249 | 630 | 619 | 2,310 | 1,475 | 835 |
| Total hours used | 2,102 | 2,628 | 2,733 | 2,210 | 523 | 6,265 | 5,510 | 755 |
| Total hours available | 4,360 | 5,046 | 5,046 | 5,047 | -1 | 10,037 | 9,585 | 452 |
| **% Utilized Total** | **48%** | **52%** | **54%** | **44%** | **10%** | **62%** | **57%** | **5%** |
| | | | | | | | | |
| Prime time hours rented | 1,333 | 1,228 | 1,190 | 1,140 | 50 | 2,935 | 2,930 | 5 |
| Prime time Hours program/maint. | 317 | 319 | 589 | 310 | 279 | 1,065 | 660 | 405 |
| Prime time hours used | 1,650 | 1,547 | 1,778 | 1,450 | 328 | 4,000 | 3,590 | 410 |
| Prime time hours available | 2,636 | 2,512 | 2,516 | 2,516 | -1 | 5,012 | 4,999 | 13 |
| **% Utilized Prime Time** | **63%** | **62%** | **71%** | **58%** | **13%** | **80%** | **72%** | **8%** |
| | | | | | | | | |
| **Revenue** | **$113,670** | **$162,205** | **$176,308** | **$166,900** | **$ 9,408** | **$422,329** | **$414,400** | **$ 7,929** |

Replacement of condenser for Mark Messier/Troy Murray impacted ice availability and use for first 15 days of April. Although less hours were rented than budgeted, hours used at the higher spring/summer ice rate vs. dry floor rates, as ice was maintained in the Performance Arena longer than usual, resulting in higher revenue.

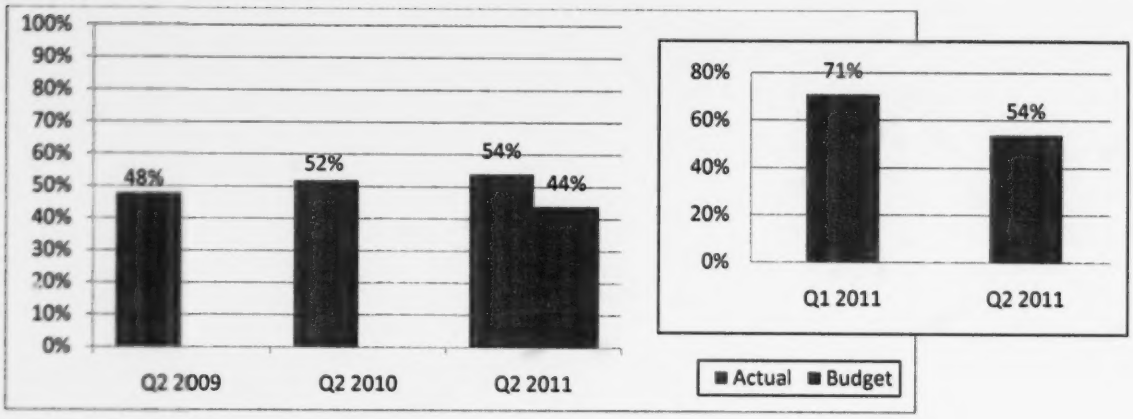
Booking & Events anticipates that 2011 arena use end the year slightly lower than 2010 due to the impact of one week of July hockey school cancellation combined with the loss of ice in Troy Murray and Mark Messier Arenas for two weeks from August 29 to September 9 to accommodate the replacement the Air Handling Unit #6.

**Arena Rental Revenue**

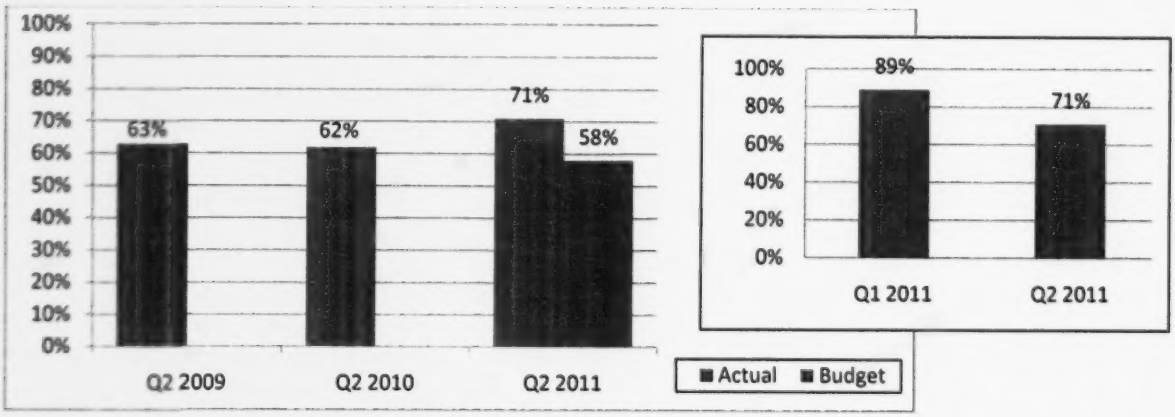


# Servus Place Quarterly Report
## Second Quarter 2011

**Arena Total Utilization**




**Arena Primetime Utilization**



# Servus Place Quarterly Report
## Second Quarter 2011

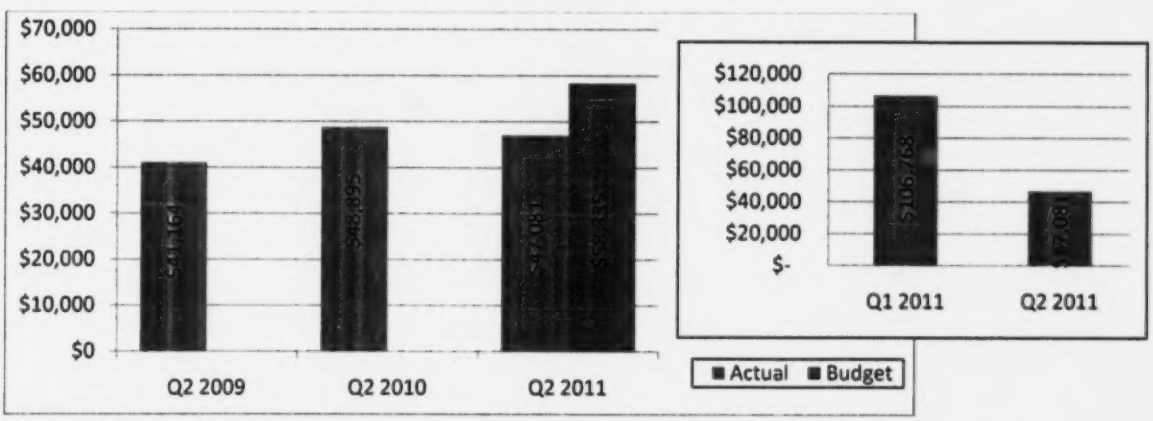
## Fieldhouses Rental

| Fieldhouse | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | 2011 YTD Variance |
|---|---|---|---|---|---|---|---|---|
| Hours rented | 957 | 1,039 | 858 | 920 | -63 | 2,359 | 2,314 | 45 |
| Hours programmed/maint. | 318 | 370 | 496 | 472 | 24 | 856 | 861 | -5 |
| Total hours used | 1,275 | 1,409 | 1,354 | 1,392 | -38 | 3,216 | 3,175 | 40 |
| Total hours available | 3,008 | 3,234 | 3,312 | 2,868 | 444 | 6,563 | 6,105 | 458 |
| **% Utilized Total** | **42%** | **44%** | **41%** | **49%** | **-8%** | **49%** | **52%** | **-3%** |
| | | | | | | | | |
| Prime time hours rented | 772 | 887 | 676 | 542 | 134 | 1,817 | 1,600 | 217 |
| Prime time Hours program/maint. | 178 | 99 | 209 | 316 | -107 | 353 | 494 | -141 |
| Total Prime time hours used | 950 | 986 | 886 | 858 | 27 | 2,169 | 2,094 | 75 |
| Prime time hours available | 1,523 | 1,650 | 1,677 | 1,560 | 117 | 3,333 | 3,216 | 117 |
| **% Utilized Prime Time** | **62%** | **60%** | **53%** | **55%** | **-2%** | **65%** | **65%** | **0%** |
| | | | | | | | | |
| **Revenue** | **$ 41,164** | **$ 48,895** | **$ 47,081** | **$ 58,335** | **$(11,254)** | **$ 153,849** | **$ 155,835** | **$ (1,987)** |

Traditional use of fieldhouses by inline, lacrosse and ball hockey has not seen the growth that was anticipated. Combined with the loss of revenue from school use and revenue loss from Alberta 55 Plus Winter Games, these factors have resulted in lower than anticipated revenue for YTD 2011.

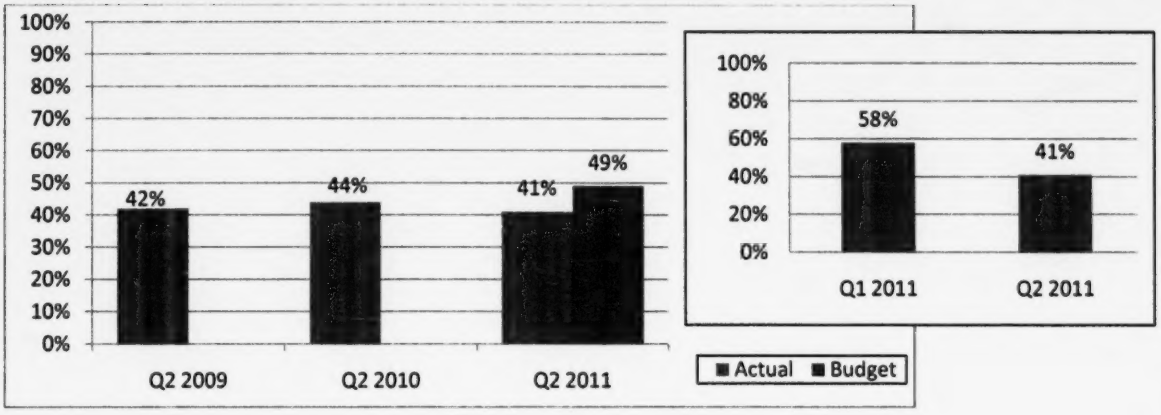
Booking & Events anticipates that use for the remainder of the year will be comparable to 2010, however the decreased revenue experienced in the first six months of 2011 will result in a lower than budgeted amount at year end.

**Fieldhouse Rental Revenue**

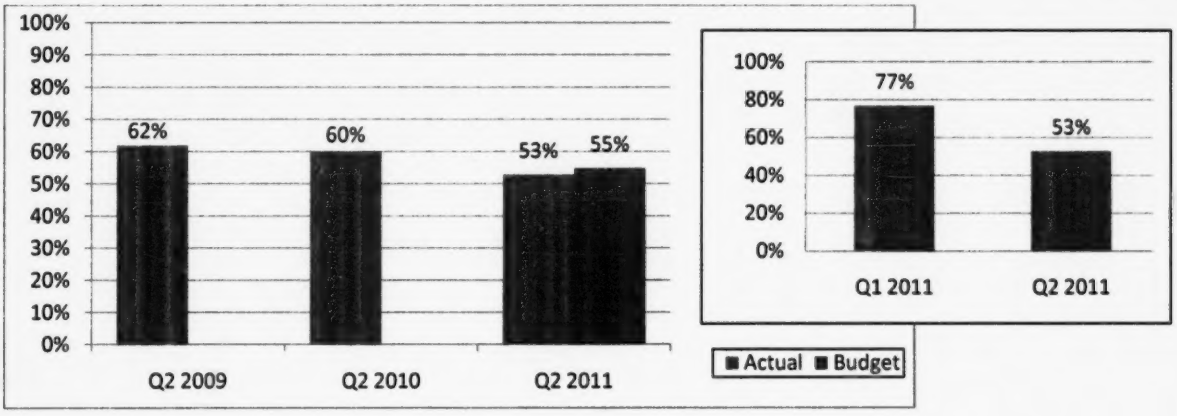


# Servus Place Quarterly Report
## Second Quarter 2011

**Fieldhouse Total Utilization**




**Fieldhouse Primetime Utilization**



# Servus Place Quarterly Report
# Second Quarter 2011

## Gymnasium Rental

| Gymnasiums | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | 2011 YTD Variance |
|---|---|---|---|---|---|---|---|---|
| Hours rented | 211 | 369 | 262 | 174 | 88 | 667 | 428 | 239 |
| Hours programmed/maint. | 882 | 663 | 839 | 988 | -149 | 1,748 | 1,952 | -204 |
| Hours of spontaneous use | 1,642 | 2,379 | 2,203 | 924 | 1,279 | 4,302 | 2,048 | 2,254 |
| Total hours used | 2,735 | 3,411 | 3,304 | 2,086 | 1,218 | 6,717 | 4,428 | 2,289 |
| Total hours available | 4,395 | 4,563 | 4,563 | 2,868 | 1,695 | 9,075 | 6,000 | 3,075 |
| **% Utilized Total** | **62%** | **75%** | **72%** | **73%** | **0%** | **74%** | **74%** | **0%** |
| | | | | | | | | |
| Prime time hours rented | 174 | 250 | 160 | 174 | -15 | 468 | 428 | 40 |
| Prime time Hours program/maint. | 467 | 443 | 500 | 662 | -162 | 1,034 | 1,308 | -274 |
| Prime time hours of spontaneous use | 996 | 1,118 | 1,060 | 1,167 | -107 | 2,074 | 2,350 | -276 |
| Total Prime time hours used | 1,637 | 1,810 | 1,720 | 2,003 | -284 | 3,576 | 4,086 | -510 |
| Prime time hours available | 2,328 | 2,340 | 2,340 | 2,744 | -404 | 4,662 | 5,487 | -825 |
| **% Utilized Prime Time** | **70%** | **77%** | **73%** | **73%** | **0%** | **77%** | **74%** | **2%** |
| | | | | | | | | |
| **Revenue** | **$ 8,058** | **$ 14,973** | **$ 9,442** | **$ 7,380** | **$ 2,062** | **$ 22,647** | **$ 17,540** | **$ 5,107** |

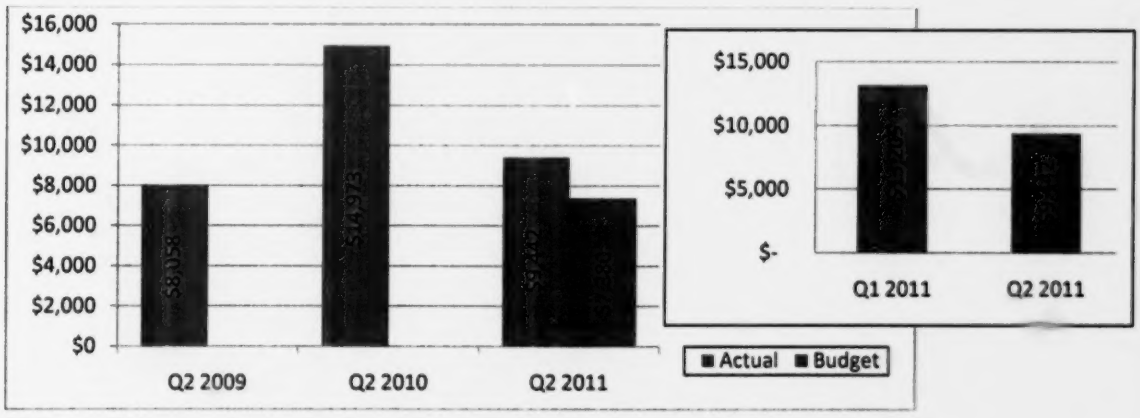
Gymnasium rental revenue for Q2 is higher than budget for Q2. Events such as Desa Karate International Tournament contributed to higher revenue totals.

The variance between Q2 2010 and Q2 2011 is because in 2010 revenue for CTEC Motorcycle Training School was accounted for under gymnasiums; in 2011, this revenue is accounted for under meeting rooms. Use patterns for second half of 2011 are anticipated to be comparable to 2010 and resulting in year end revenues being slightly higher than budget projections.

Gymnasium rental revenue is limited due to the availability of only one court for booking and limited demand from groups. Gymnasium rental revenue is only received for rental hours. Programmed, maintenance and spontaneous use does not bring revenue directly into facility rentals. Revenue for these hours is realized under program revenue or viewed as a benefit of membership or day admission.

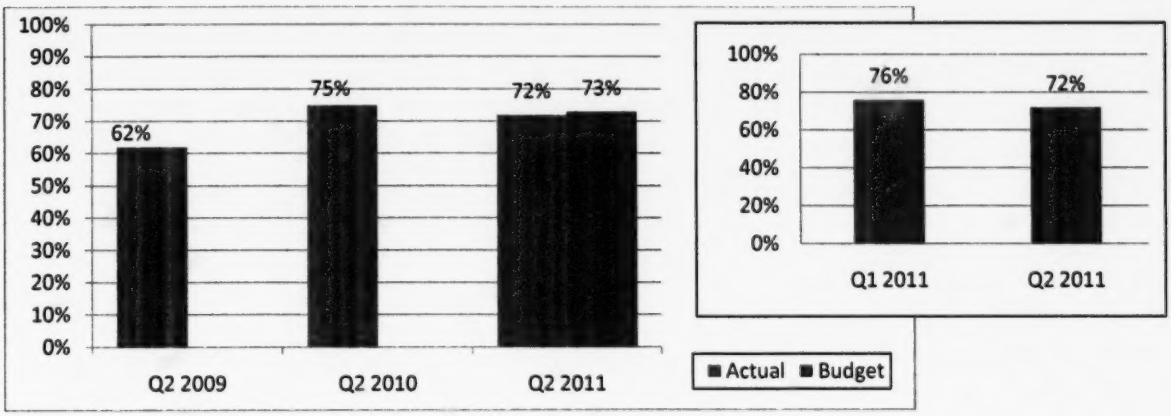
As membership and day admissions grow, there is increased use of the gymnasiums for drop-in and spontaneous activities. At times, use of all three courts is required for spontaneous use.

**Gymnasium Rental Revenue**

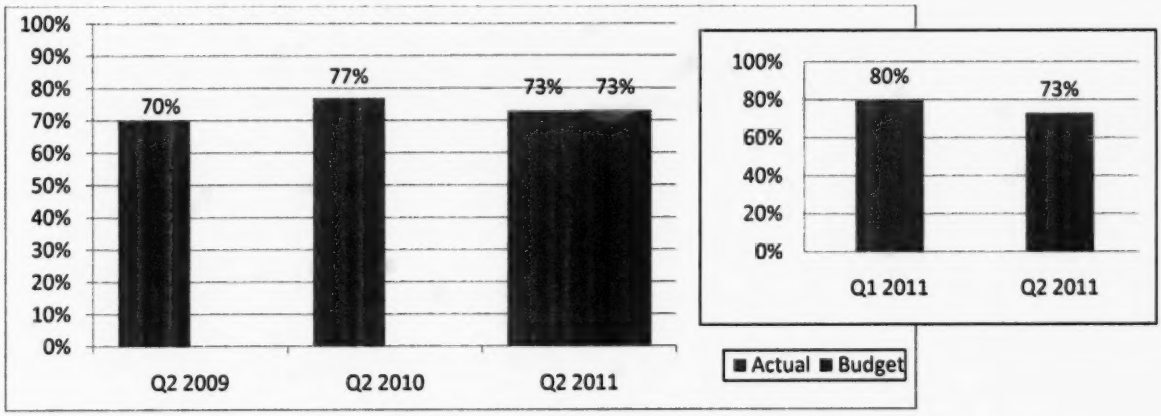


# Servus Place Quarterly Report
## Second Quarter 2011

**Gymnasium Total Utilization**




**Gymnasium Primetime Utilization**



## Business & Marketing

Servus Credit Union supported the Slave Lake relief efforts by sponsoring the cost of Servus Place play passes for Slave Lake victims staying in the area.

"Heaven Essence" was secured as a sponsor for the Bigger Loser program and Shaw Communications was secured as a new facility sponsor. Elite Sportswear came on as an advertiser and one current advertiser was renewed.

Business & Marketing conducted a "Brand Workshop" with the management team to establish the Servus Place brand elements. A number of new advertising initiatives have been developed for programs to support our branding. "How Servus Place Moves You" and "Feel Good Month" are two examples.

Servus Place provided an update outlining the progress that the department has made incorporating the new City brand was sent to the branding committee with a positive response. Servus Place continues to strive to implement of City branding into all facets of the facility.

| Advertising, Fundraising and Sponsorship Inventory | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| Total Spaces Sold | 132 | 126 | 147 | 155 | -8 | 141 | 153 | -12 |
| Total Complimentary Spaces | N/A | 8 | 4 | 4 | 0 | 3 | 4 | -1 |
| Total Internal Spaces | N/A | 10 | 5 | 8 | -3 | 7 | 8 | -1 |
| **Total Spaces Used** | 132 | 144 | 156 | 167 | **-11** | 151 | 165 | -14 |
| Total Space Available | 197 | 199 | 209 | 204 | 5 | 207 | 204 | 3 |
| **% of Space Used** | **67%** | **72%** | **74%** | **82%** | **-7%** | **73%** | **81%** | **-8%** |

**Q2 2011 Advertising Inventory**

| Advertising Fundraising and Sponsorship Inventory | Performance Arena | Mark Messier Arena | Troy Murray Arena | Sarasota fieldhouse | Pizza 73 fieldhouse | Community Gym | Information Boards | LCD Screens | Akinsdale Arena | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Spaces Sold | 40 | 23 | 19 | 17 | 13 | 2 | 2 | 8 | 22 | 147 |
| Total Complimentary Spaces | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 2 | 0 | 4 |
| Total Internal Spaces | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 2 | 0 | 5 |
| **Total Spaces Used** | 41 | 23 | 19 | 18 | 14 | 2 | 4 | 12 | 22 | **156** |
| Total Space Available | 56 | 29 | 29 | 22 | 22 | 4 | 6 | 12 | 29 | **209** |
| **% of Space Sold** | **74%** | **79%** | **66%** | **82%** | **63%** | **51%** | **60%** | **100%** | **77%** | **74%** |

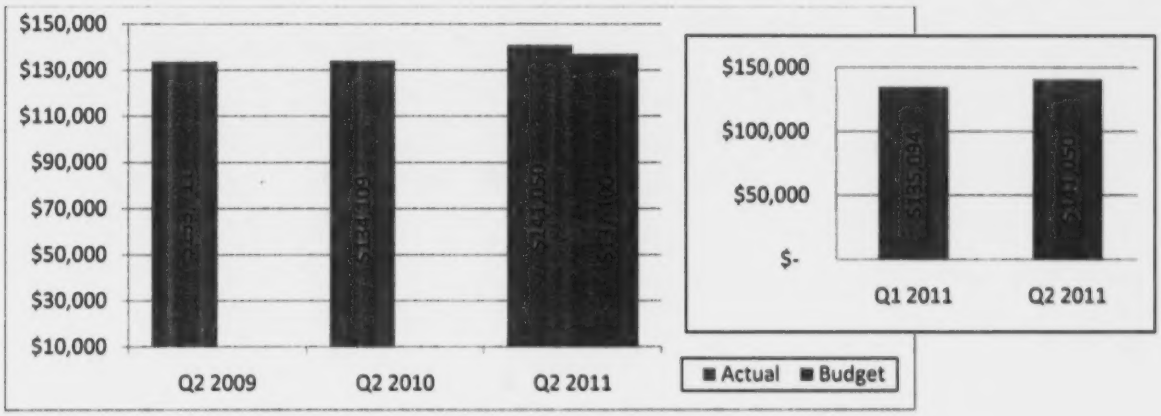
# Servus Place Quarterly Report
## Second Quarter 2011

| Advertising, Fundraising and Sponsorship Revenue | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| Advertising Revenue | $ 38,911 | $ 39,209 | $ 45,571 | $ 45,000 | $ 571 | $ 89,738 | $ 86,500 | $ 3,238 |
| Fundraising/Sponsorship | $ 94,800 | $ 94,900 | $ 95,479 | $ 92,100 | $ 3,379 | $ 186,406 | $ 180,100 | $ 6,306 |
| **Total Revenue** | **$ 133,711** | **$ 134,109** | **$ 141,050** | **$ 137,100** | **$ 3,950** | **$ 276,144** | **$ 266,600** | **$ 9,544** |

The variance in sponsorship revenue for Q2 and YTD is due to new sponsorships from Go Auto Direct and Best Western St. Albert.

Q2 and YTD 2011 advertising and sponsorship revenue is over budget but under budget for spaces sold. The reason for this variance is that the advertising budget for Q2 is based on an average monthly value per space of $94. The actual monthly value of an advertising space sold in Q2 2011 was $106

**Advertising and Sponsorship**



## Operations

Operations staff completed the removal of the ice in the Performance Arena as well as the turf in the Pizza 73 Fieldhouse. All rink boards in Performance Arena were replaced on behalf of Esso Cup due to damage incurred during the event.

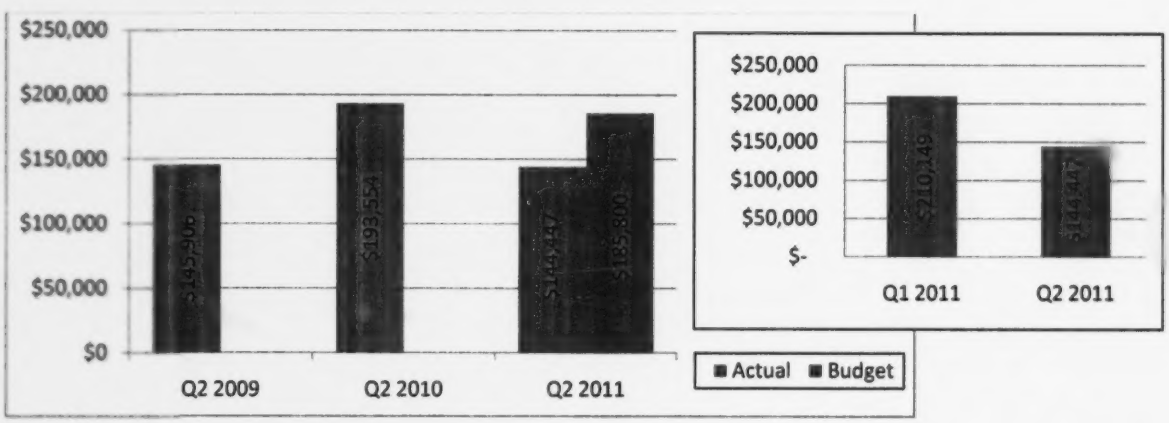
Funding for repairs to the Air Handling Unit # 6 in the Landrex Water Play Centre has been approved by Council. Repairs are being scheduled for September with Stantec, Barr Ryder and PCL as the construction project manager.

The Servus Place Lifecycle Plan and corresponding project charter have been updated based on current costing.

## Public Works Internal Contracts

| Public Works Internal Contracts | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| | $ 145,906 | $ 193,554 | $ 144,447 | $ 185,800 | $ (41,353) | $ 354,596 | $ 366,600 | $ (12,004) |

**Public Works Internal Contracts**



# Servus Place Quarterly Report
# Second Quarter 2011

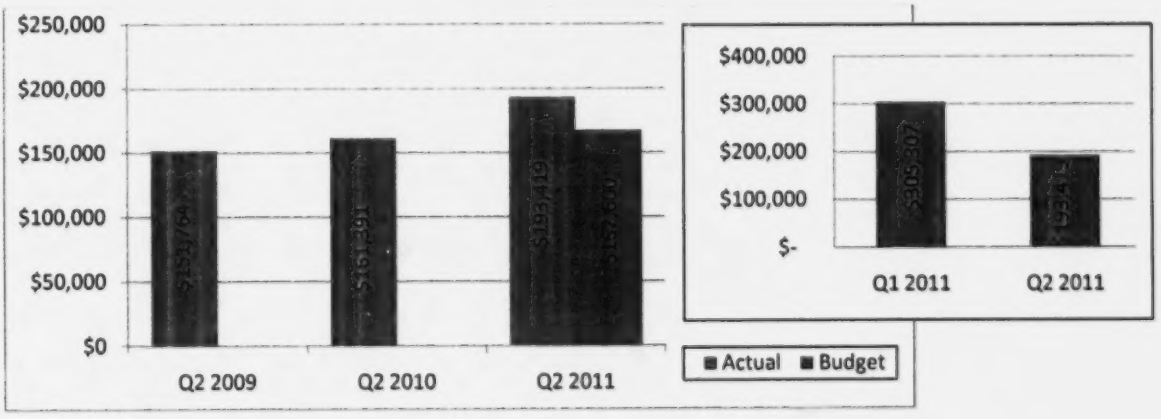
## Utilities

| Utilities | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| Natural Gas | $ 31,095 | $ 29,126 | $ 29,819 | $ 45,300 | $(15,481) | $ 136,465 | $ 138,100 | $ (1,635) |
| Water, Wastewater and Solid Waste | $ 18,585 | $ 23,557 | $ 24,907 | $ 22,700 | $ 2,207 | $ 49,329 | $ 46,300 | $ 3,029 |
| Electricity | $ 98,315 | $ 107,881 | $ 136,273 | $ 96,200 | $ 40,073 | $ 306,962 | $ 226,000 | $ 80,962 |
| Telephone and Cable | $ 3,769 | $ 827 | $ 2,420 | $ 3,400 | $ (980) | $ 5,970 | $ 6,700 | $ (730) |
| **Total** | **$151,764** | **$161,391** | **$193,419** | **$167,600** | **$ 25,819** | **$498,726** | **$417,100** | **$ 81,626** |

The variance in the utilities is due to an increase in rates for electricity. Servus Place anticipates that this trend will continue throughout 2011 and have forecasted a variance in the year end utility costs.

The 2011 utilities indicated above are based on estimates due to the delay between receiving the utility bills and the monthly reporting. When the bills are received all previously used estimates will be updated with the actual.

**Utilities Expenses**

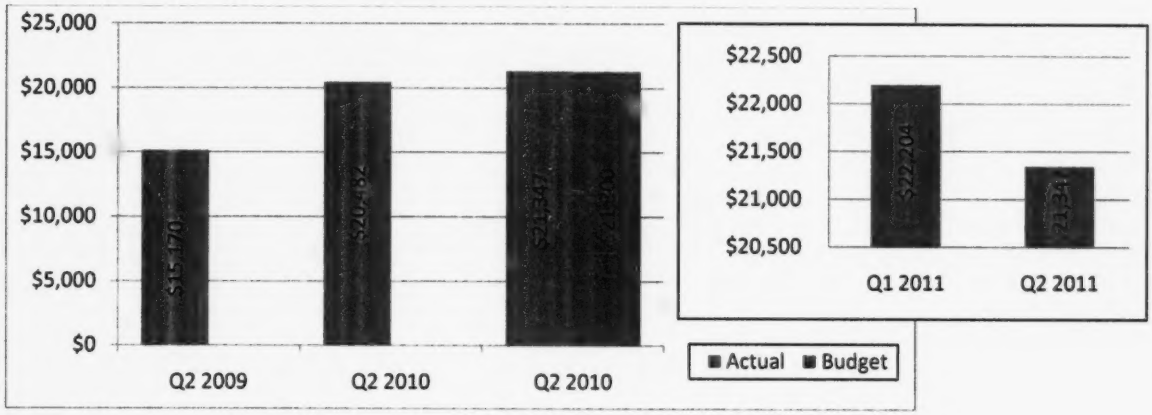


## Commissions & Vending

| Commissions and Vending | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| Vending Commission | $ 11,188 | $ 12,719 | $ 13,845 | $ 13,500 | $ 345 | $ 24,281 | $ 29,600 | $ (5,319) |
| Locker Total Revenue | $ 3,088 | $ 6,322 | $ 5,726 | $ 7,800 | $ (2,074) | $ 14,674 | $ 15,600 | $ (926) |
| Guest Services | $ 514 | $ 633 | $ 1,291 | $ - | $ 1,291 | $ 3,475 | $ - | $ 3,475 |
| Miscellaneous | $ 380 | $ 808 | $ 485 | $ - | $ 485 | $ 1,121 | $ - | $ 1,121 |
| **Total Revenue** | **$ 15,170** | **$ 20,482** | **$ 21,347** | **$ 21,300** | **$ 47** | **$ 43,551** | **$ 45,200** | **$ (1,649)** |

Commissions and vending revenue is on budget for Q2. Year to date revenue is slightly under budget due to lower than anticipated vending commission revenue. During the last half of 2010, Servus Place noted a gradual decrease in the vending commissions which has now levelled out. This decrease may be attributed to the opening of Skybox Grill and Express in early 2010.

**Commissions & Vending Revenue**



## Personnel Costs

| Personnel Costs | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| Salary | $ 392,959 | $ 464,437 | $ 453,908 | $ 512,600 | $ (58,692) | $ 894,663 | $1,019,800 | $(125,137) |
| Casual Wages | $ 396,421 | $ 390,083 | $ 412,129 | $ 426,600 | $ (14,471) | $ 849,005 | $ 864,500 | $ (15,495) |
| | | | | | | | | |
| **Total Salary and Wages** | **$ 789,380** | **$ 854,520** | **$ 866,037** | **$ 939,200** | **$(73,163)** | **$1,743,668** | **$1,884,300** | **$(140,632)** |
| Benefits | $ 118,096 | $ 133,309 | $ 131,868 | $ 145,700 | $ (13,832) | $ 263,878 | $ 291,900 | $ (28,022) |
| **Total Revenue** | **$ 907,476** | **$ 987,829** | **$ 997,905** | **$1,084,900** | **$(86,995)** | **$2,007,546** | **$2,176,200** | **$(168,654)** |

In Q2, staff met to review the updated 2012-2014 Strategic Plan and participate in a strategic initiatives brainstorming session. The Servus Place 2012-2014 Budget, Business Plan and Strategic Plan were updated and submitted as part of the 2012-2014 Budget process.

Servus Place membership, admission and rental rates for 2011/2012 have been approved by the City Manager as per Council Policy C-FS-16.

In-View time tracking software is currently being piloted by all 25 Guest Services staff as well as 5 Host/Monitors staff. All remaining casual staff members have been trained on InView but will remain on paper timesheets until InView goes live city wide.

The annual Servus Place All Staff Meeting was held June 5 and included highlights and celebrations from 2010, a missing person drill, a presentation on "Ambassadorship" and highlight videos from each business unit. The Servus Place Employee Relations Committee hosted an unpaid social prior to the meeting incorporating icebreakers and fun summer games into the activities.

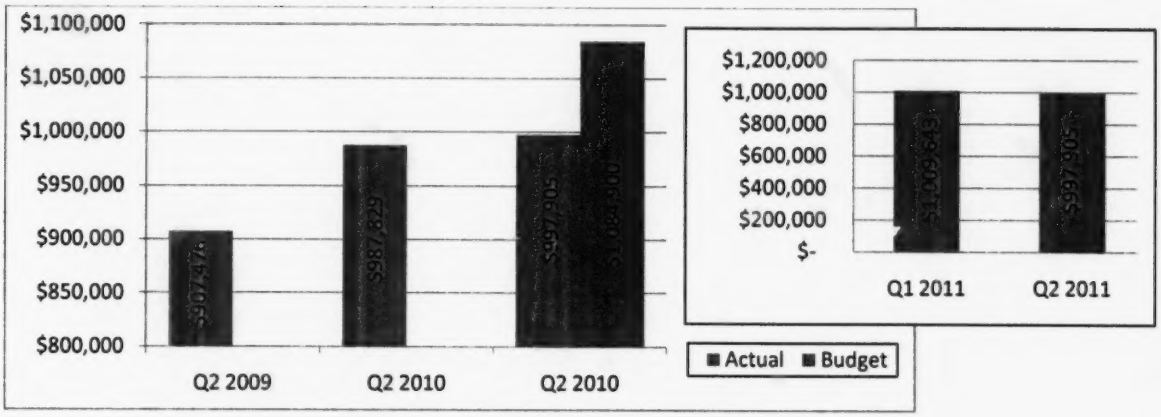
Ten Servus Place staff members have completed session one of the Respectful Workplace Workshop. Four staff members have volunteered to sit on the employee task forces facilitated by HR.

A training session was held for Guest Services Associate 3's (shift leaders) and Facility Hosts which included a two hour leadership development session.

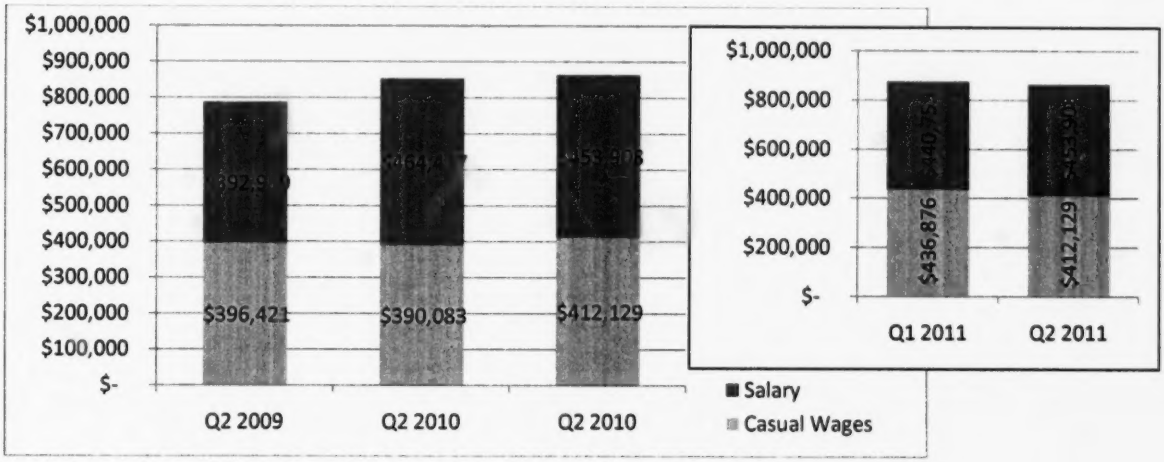
The Team Lead Program has been extended year round with slightly adjusted hours in the summer time. This program was put in place to ensure that there is a member of the core staff available in the facility during peak times to assist front line staff with any problems that they may encounter that are outside their scope of duties.

# Servus Place Quarterly Report
## Second Quarter 2011

**Personnel Costs**




**Salaries & Casual Wages**



# Servus Place Quarterly Report
## Second Quarter 2011

| Personnel by Cost Centre | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| Administration | $ 56,267 | $ 62,572 | $ 64,974 | $ 62,500 | $ 2,474 | $ 127,131 | $ 124,300 | $ 2,831 |
| Operations | $ 173,219 | $ 211,067 | $ 191,750 | $ 224,700 | $(32,950) | $ 380,702 | $ 465,400 | $ (84,698) |
| Recreation | $ 89,038 | $ 117,689 | $ 118,288 | $ 136,500 | $(18,212) | $ 242,796 | $ 270,700 | $ (27,904) |
| Fitness | $ 184,360 | $ 205,319 | $ 221,082 | $ 219,900 | $ 1,182 | $ 446,492 | $ 435,600 | $ 10,892 |
| Business & Marketing | $ 40,850 | $ 31,291 | $ 52,473 | $ 53,300 | $ (827) | $ 104,118 | $ 105,800 | $ (1,682) |
| Bookings and Events | $ 60,634 | $ 67,851 | $ 64,374 | $ 70,500 | $ (6,126) | $ 130,796 | $ 141,600 | $ (10,804) |
| Guest Services | $ 185,012 | $ 158,731 | $ 153,096 | $ 171,800 | $(18,704) | $ 311,633 | $ 340,900 | $ (29,267) |
| **Subtotal** | **$ 789,380** | **$ 854,520** | **$ 866,037** | **$ 939,200** | **$(73,163)** | **$1,743,668** | **$1,884,300** | **$(140,632)** |
| | | | | | | | | |
| Benefits | $ 118,096 | $ 133,309 | $ 131,868 | $ 145,700 | $(13,832) | $ 263,878 | $ 291,900 | $ (28,022) |
| **Total Personnel Costs** | **$ 907,476** | **$ 987,829** | **$ 997,905** | **$1,084,900** | **$(86,995)** | **$2,007,546** | **$2,176,200** | **$(168,654)** |

The variance in Administration personnel costs is due to costs for the 2011 All Staff Meeting. These costs are offset under development and training.

The variance in personnel costs are primarily due to two FTE staff vacancies in Operations. The Operations Manager position was filled in mid April and the Operations Coordinator position will be filled as of mid July.

Recreation personnel cost variance is due to cancelled cooking programs in the winter and spring and also starting two summer coordinators later than originally planned.

Personnel costs for Guest Services are under budget for the quarter and YTD due to a combination of operational efficiencies requiring lower staffing levels and adjustments made to staff scheduling at the Guest Services desks.

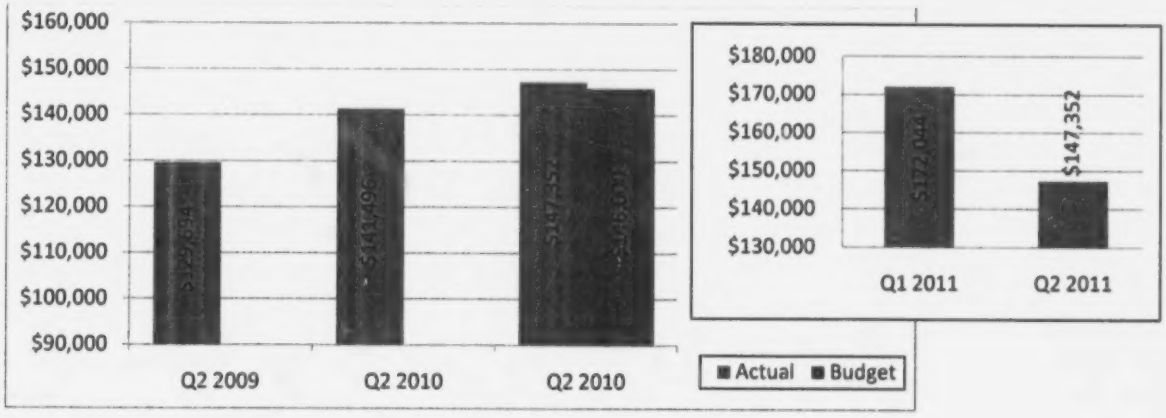
Booking & Events are under budget due to the Events Coordinator position being on contract for the first quarter of 2011 and has now recently been filled as a permanent position.

## Contracted & General Services

| Contracted & General Services | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| | $ 129,694 | $ 141,496 | $ 147,352 | $ 146,000 | $ 1,352 | $ 319,396 | $ 332,100 | $ (12,704) |

Contracted and general services are very close to budget for the quarter. The YTD variance is due to timing of initiatives in advertising and promotions, development and training, corporate memberships and insurance premiums. This account is anticipated to end the year slightly above budget due to the need for additional secuirty personnel.

**Contracted & General Services Expenses**

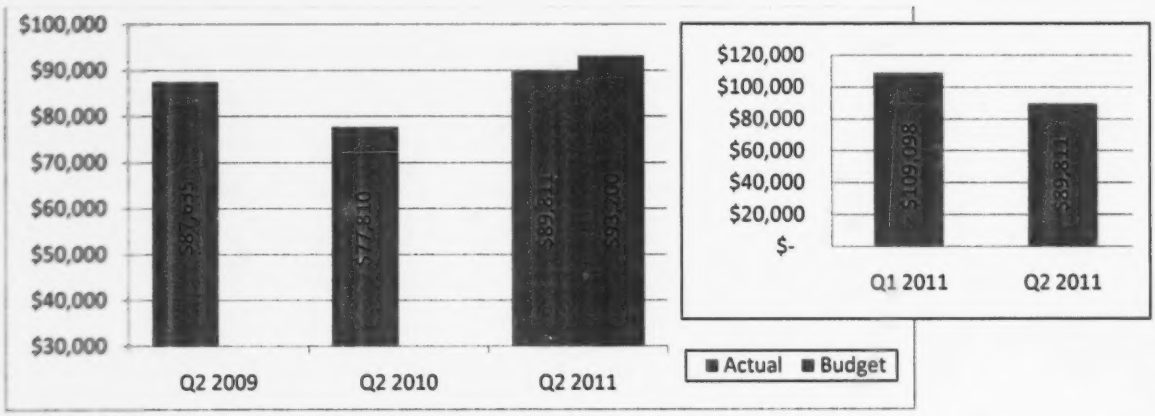


## Materials, Goods & Supplies

| Materials, Goods & Supplies | Q2 2009 Actual | Q2 2010 Actual | Q2 2011 Actual | Q2 2011 Budget | Q2 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---|---|---|---|---|---|---|---|---|
| | $ 87,635 | $ 77,810 | $ 89,811 | $ 93,200 | $ (3,389) | $ 198,909 | $ 213,300 | $ (14,391) |

Materials, goods and supplies are under budget primarily due to timing of initiatives in operating supplies, program supplies janitorial supplies and uniforms and equipment. Servus Place anticipates that these accounts will come in close to budget for 2011.

**Materials, Good & Supplies Expenses**



## 2011 Forecast

| | 2011 Department Budget | *2011 Revised Budget Approved July 4th,2011 | Variance Between Departmental Budget and Revised Budget | 2011 Forecast - Updated July 20, 2011 | Variance Between Revised Budget and Forecast |
|---|---|---|---|---|---|
| Members'..ips | $ 2,426,300 | $ 2,426,300 | $ 0 | $ 2,471,800 | $ 45,500 |
| Admission Fees | 1,270,500 | 1,270,500 | 0 | 1,195,000 | (75,500) |
| Lesson Fees | 834,200 | 834,200 | 0 | 900,200 | 66,000 |
| Rentals - Facility | 1,537,500 | 1,537,500 | 0 | 1,547,500 | 10,000 |
| Advertising/Sponsorship | 535,200 | 554,200 | 19,000 | 554,200 | 0 |
| Sale of Goods (Commission & Vending) | 85,200 | 184,300 | 99,100 | 184,300 | 0 |
| Miscellaneous Revenue | 13,800 | 13,800 | 0 | 35,000 | 21,200 |
| **Total Revenue** | **$ 6,702,700** | **$ 6,820,800** | **$ 118,100** | **$ 6,888,000** | **$ 67,200** |
| | | | | | |
| Personnel Costs | $ 4,386,400 | $ 4,439,700 | $ 53,300 | $ 4,339,700 | $ (100,000) |
| Contracted & General Services | 741,400 | 763,000 | 21,600 | 783,000 | 20,000 |
| Utilities | 827,700 | 827,700 | 0 | 927,700 | 100,000 |
| Materials, Goods & Supplies | 412,400 | 454,100 | 41,700 | 454,100 | 0 |
| Transfer to Reserves | 50,000 | 50,000 | 0 | 50,000 | 0 |
| Transfer to Operations - Aquatics | 756,800 | 756,800 | 0 | 756,800 | 0 |
| Transfer to Operations - Public Works | 732,600 | 732,600 | 0 | 732,600 | 0 |
| **Total Expenses** | **$ 7,907,300** | **$ 8,023,900** | **$ 116,600** | **$ 8,043,900** | **$ 20,000** |
| | | | | | |
| **Operating Surplus (Deficit)** | **$ (1,204,600)** | **$ (1,203,100)** | **$ 1,500** | **$ (1,155,900)** | **$ 47,200** |
| Recovery Rate | 85% | 85% | | 86% | 1% |
| | | | | | |
| **Cost Centre 3171 (from Recreation)** | | | | | |
| **Total Revenue** | $ 479,900 | $ 479,900 | $ 0 | $ 479,900 | $ 0 |
| **Total Expenses** | 137,600 | 137,600 | 0 | 137,600 | 0 |
| **Operating Surplus (Deficit)** | **$ 342,300** | **$ 342,300** | **$ 0** | **$ 342,300** | **$ 0** |
| | | | | | |
| **Total Operating Surplus (Deficit)** | **$ (862,300)** | **$ (860,800)** | **$ 1,500** | **$ (813,600)** | **$ 47,200** |

*2011 Revised Budget which was approved July 4, 2011 includes the new retail cost centre 3191.

The fist column in the budget summary above shows the original approved budget. The second column, the 2011 Revised Budget was approved July 4, 2011 and includes the new retail cost centre reflecting adjustments to the revenue and expenses based on operation of a Starbucks store for two months in 2011. The 2011 forecast column updated on July 20, 2011 reflects the projected changes to the revenues and expenses based on the Q2 financial information and analysis of trends. The forecast variance is based on the revised budget of July 4th, 2011.

Based on the Q2 financial information and analysis of trends, Servus Place is forecasting a year end net deficit of $1,155,900 against a budgeted deficit of $1,203,100 This is a decrease to the net deficit of $47,200 or (-3.9%), increasing the cost recovery by 1% to 86%.

- Memberships are anticipated to end the year over budget by $45,500. The forecast has been adjusted to reflect this increase. Day admissions are trending under budget and have been adjusted by -$75,500.
- Lesson fees have been adjusted by $66,000 to reflect increased participation in personal training services and fitness and recreation programs.
- There has been a decreased in leaseholder revenue due to adjustments to the Skybox lease but an increase in rental revenues. These changes have resulted in an overall increase of $10,000 to facility rental revenue.
- An adjustment of $21,200 has been made to miscellaneous revenue to account for recovered costs from events.

Adjustments to contracted and general services, personnel costs and utilities resulted in a small increase on the expense side, while increases to membership, lesson fees, facility rental and miscellaneous revenue improved the net deficit.

- Salaries have been decreased by $100,000 in the forecast to account for vacancies in different areas throughout the year.
- There has been an increase to contracted and general services of $20,000 to account for additional security personnel required in the facility. Servus Place has found that with an increased security presence there has been a reduction in the number of thefts as well as, the presence of security during the day has provided added confidence in the membership and public users.
- Utilities have been increase by $100,000 to account for higher than anticipated utility rates, primarily on electricity.